



Office of the Administrative Director — Financial Services Division

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May 25, 2006

MEMORANDUM

TO WHOM IT MAY CONCERN

FROM: JANELL KIM, FINANCIAL SERVICES ADMINISTRATOR

SUBJECT: **ADDENDUM NO. 1**
REQUEST FOR PROPOSALS NO. J06159 FOR PROVIDING THE
FINANCIAL AND COMPLIANCE AUDIT OF THE JUDICIARY, STATE OF
HAWAII FOR THE FISCAL YEAR ENDED JUNE 30, 2006

Transmitted herewith is one copy of ADDENDUM NO. 1 for your review. Should you have any questions, please contact Newton Sakamoto in the Contracts & Purchasing Office at (808) 538-5805, FAX (808) 538-5802, or email newton.t.sakamoto@courts.state.hi.us. Technical questions may be directed to Tom Mick in the Judiciary Internal Audit Office at (808) 539-4242, FAX (808) 539-4020, or email tom.w.mick@courts.state.hi.us.

A handwritten signature in cursive script, appearing to read "Janell Kim".

Janell Kim
Financial Services Administrator

Transmittal

**THE JUDICIARY, STATE OF HAWAII
REQUEST FOR PROPOSALS NO. J06159**

**FOR PROVIDING THE FINANCIAL AND COMPLIANCE AUDIT OF THE
JUDICIARY, STATE OF HAWAII FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

ADDENDUM NO. 1

May 25, 2006

The following questions were submitted and are being answered in accordance with this RFP:

1. **QUESTION:** Are all financial records centralized on Oahu?

ANSWER: The detailed records are kept at the fiscal offices on each island (i.e., each of the four circuits), but summary financial records are kept and maintained at the Accounting Section of the Financial Services Division of the Administration Support Services Department on Oahu.

2. **QUESTION:** Are the auditors required or did they go to the outer island courts (thus incurring travel expenses)?

ANSWERS: Yes, they will need to travel to the outer islands to do some detailed work, check bank records, etc.

3. **QUESTION:** Can we read the management letter that was issued?

ANSWER: Yes, you can. In summary, there were two findings written - one on the need for one of the courts to research its unclaimed bails and determine the amount to be escheated and the other for two courts and one program to record fixed asset transactions to the property inventory on a timely basis.

4. **QUESTION:** Does the Judiciary assist the auditors in preparing work papers? If yes, how much support does the Judiciary provide?

ANSWER: The Judiciary does assist the auditors by preparing certain work papers. We cannot really quantify the amount of that support.

5. **QUESTION:** Does the Judiciary prepare the MD & A report?

ANSWER: Yes.

6. **QUESTION:** Does the Judiciary prepare the Schedule of Federal Expenditures?

ANSWER: The auditors prepare based on information provided by the Judiciary.

7. **QUESTION:** Does the Judiciary maintain a detailed fixed assets schedule, including construction in progress?

ANSWER: Yes.

8. **QUESTION:** Does the Judiciary maintain a capital lease schedule?

ANSWER: Yes.

9. **QUESTION:** Our records indicate the present auditor has been there for over ten years. Are they also allowed to submit a proposal?

ANSWER: Yes.

10. **QUESTION:** What was the contract amount for the June 30, 2005 audit?

ANSWER: \$51,750.